

STEEL 201 QUESTIONS AND ANSWERS

March 29, 2002

TO ACH OR NOT TO ACH

Q. HOW DO I USE ACH TO PAY FOR THE SHIPMENT IF THE DUTY IS BEING DEFERRED?

A. You can not use ACH during the duty deferral period. ACH can not be used when the duty is not being paid for in full. You can resume your ACH capabilities for entries or withdrawals made on or after April 4. If you have transmitted ACH already, the system will not recognize that you are not planning on paying in full. Cancel the statement and resubmit your 7501 at summary with the check for the applicable duties.

APRIL 19 DEFERRAL DATE

Q. WHAT IF I WANT TO PAY THE DUTIES PRIOR TO THE 10TH DAY OR PRIOR TO APRIL 19, IF DEFERRED. CAN WE DO THAT?

A. No. Additional Steel 201 duties for merchandise entered or withdrawn on or after March 20 until April 4, **must** be deferred until April 19, 2002. Entries made on or after April 5, revert to normal business procedures. After April 5, there is no deferral issue and you can pay the duties early if you choose to.

Q. PART OF THE INFORMATION THAT WAS SENT OUT TO THE PORTS AND TO THE TRADE INDICATED THAT NO DUTY COULD BE COLLECTED UNTIL AFTER APRIL 19, 2002. IS THIS TRUE? CAN YOU EXPLAIN HOW WE ARRIVED AT APRIL 19, AND WHAT IS DUE WHEN?

A. The issue is complicated and everyone has struggled with the interpretation. The date of April 4, is not a Customs date. The 4th of April was established because it is the 30th day after the signing of a memorandum issued by the President of the United States.

The President ordered the U.S. Department of Treasury (USTR) to defer collection of the special duty for targeted steel products, **which are entered or withdrawn from warehouse on or after March 20 and up to the 30th day**, after the signing. The memorandum was signed on March 5, and the 30th day falls on April 4.

That same memorandum required USTR to select a deposit date no later than 45 days after the date of the memorandum. The 45th day fell on April 19. So we have a situation where deposit of the special steel duties must be delayed until April 19, for entries, withdrawals and releases of qualifying steel products made between March 20, and April 4.

It's "business as usual" for entries, withdrawals and releases made after the 4th. Beginning April 5, brokers can begin filing their entries via ABI and paying via ACH. Only the entries made between March 20 and April 4, have deferred duty implications.

CALCULATING THE DUTY

Q. I AM PAYING THE INCREASED DUTY. DO I STILL HAVE TO PAY THE REGULAR RATE OF DUTY?

A. Yes. These new additional duties are cumulative on top of normal duties, antidumping/countervailing duties, fees, taxes, or any other duties or charges.

CHAPTER 99 NUMBERS AND QUESTIONS ABOUT THE ANNEX

Q. DO I NEED TO USE A HTS HEADING 9903 NUMBER ALONG WITH THE APPROPRIATE CHAPTER NUMBER?

A. Yes. If you are importing goods under the Chapter 72/73 HTS numbers covered by the new duties, you **must** use a Chapter 99 HTS number indicating the extra duty rate.

If you are importing goods specifically excluded under note 11(b) of Chapter 99, you **must** still use the “no change” rate of duty 9903 HTS corresponding to your excluded product (leaving off the 99 HTS number is not acceptable, Customs will assess the additional duties). You must also supply supporting documentation with your entry submission that demonstrates how your steel meets the product description in note 11(b) for the exclusion you are claiming, otherwise it will not be considered valid. A mill certificate is a required document at summary.

The only time you will not use a 9903 HTS is when the goods are excluded because the original country of origin is Canada, Mexico, Israel, Jordan, or it is specifically listed under note 11(d) to Chapter 99.

Any instance where a 9903 HTS is not indicated when it should have been submitted will have duties assessed at the higher additional duty rate corresponding to the lone 72/73 HTS that you used to import your goods. As a reminder, under reasonable care, the importer is responsible for furnishing accurate and complete information.

Q. WHAT HAPPENS IF I JUST REALIZED THAT I TRANSMITTED AN ENTRY VIA ABI AND I FORGOT TO ANNOTATE THE CHAPTER 99 NUMBER?

A. Have the entry cancelled. Resubmit the entry via a non-ABI status. If the goods are already released, then you need to submit a SIL immediately or update your 7501 at summary.

Q. HOW DO I GET A COPY OF THE CHAPTER 99 NUMBERS IN THE ANNEX?

A. <http://www.ustr.gov/sectors/industry/steel201/background.htm> will take you to the USTR steel section. The proclamation and the annex are located here. You can also get to the USTR webpage by going through Customs website through the Importing and Exporting under "Steel 201 Remedy in Effect" <http://www.customs.treas.gov/impexpo/steel.htm>.

You should also check the federal register site daily. The annex may be amended frequently between now and July 2002. The Federal Register is the first place you will find the updates.

The USTR website may take some time to update after the Federal Register notice is published. Get access to Federal Register section, at http://www.access.gpo.gov/su_docs/fedreg/frcont02.html

COLLECTION CODES AND ANNOTATIONS ON THE 7501

Q. IS "201" A COLLECTION CODE?

A. The number 201 refers to a section of the Trade Act of 1974, with respect to imports of certain steel products. While 201 used to be a collection code, it is not any longer and is not applicable to this issue.

Q. HOW DO I ANNOTATE THE 7501 TO REFLECT THE ADDITIONAL 201 DUTY?

A. Annotate the 201 additional duties below block 39 on the summary.
(FOR EXAMPLE: 201 Proclamation = \$5,000.00)

Q. WHICH COMES FIRST, THE CHAPTER 99 NUMBER OR THE CHAPTER 72/73 NUMBER?

A. As published on the Quota bulletin board, the Chapter 99 number should be listed first.

DRAWBACK

Q. CAN I USE THE DRAWBACK PROCEDURES WHEN STEEL AND 201 ADDITIONAL DUTY IS INVOLVED?

A. Yes. Nothing in the regulations would preclude someone from filing a drawback entry later.

EXCLUSIONS

Q. ARE MY GOODS EXCLUDED?

A. If the country of origin is Canada, Mexico, Israel, Jordan, or is specifically listed for your goods as a "developing country" under note 11(d) to Chapter 99, your goods are excluded and do not need to pay the additional duties.

If you meet the exact description of an excluded product under note 11(b) in Chapter 99, your products are excluded as well. However, you must still use a Chapter 9903 HTS number indicating which specific exclusion you are claiming. You must also supply supporting documentation with your entry submission (i.e. a mill certificate) that demonstrates how your steel meets the product description in note 11(b) for the exclusion you are claiming. If either of these conditions are not met when claiming a product exclusion, Customs will assess additional duties at the appropriate higher rate of duty. You may also be subject to enforcement action on the part of Customs.

Customs does not grant exclusions. The only valid product exclusions are those listed in note 11(b) of Chapter 99, or those listed in updates posted in the Federal Register. Please visit the United States Trade Representative's website at www.ustr.gov for more information.

IN-BOND ENTRIES

Q. WHAT IF I "IT'D" AN ENTRY ON MARCH 18, AND AM NOW TRYING TO FILE AN ENTRY ON MARCH 28? THE SYSTEM IS NOT RECOGNIZING THE CHAPTER 99 NUMBERS.

A. The date that duties are fixed is the date the entry was IT'd. Therefore, this entry is not subject to the additional tariffs.

Q. WHAT HAPPENS IF I FILE AN IMMEDIATE DELIVERY ON THE NORTHERN BORDER? CAN I STILL DEFER MY DUTIES?

- A.** Yes. The date of entry for consumption purposes is the day that the duties are paid on the 10th day, but the 201 duties still have to be deferred until 4/19 if the merchandise came in on or after March 20 and up to April 4.

Examples: Shipment is IT'd on March 20. The summary is due on March 4. All of the regular duties and fees would be paid on the 4th of the month, but the additional 201 duties would be annotated on the coversheet and paid in on the 19th of the month.

QUOTA ENTRIES

Q. DO I HAVE TO USE A QUOTA ENTRY USING ENTRY TYPE CODE 02, 07, 32, OR 38 WHEN ENTERING STEEL SUBJECT TO THE NEW TARIFF RATES?

- A.** Only if your goods are imported under a Chapter 72/73 with a corresponding Chapter 9903 HTS that indicates they are subject to quota (such as slabs). If your goods are not subject to a quota, you should use an appropriate non-quota entry type.

REMOTE LOCATION FILING

Q. CAN A BROKER FILE ENTRIES USING THE REMOTE LOCATION FILING (RLF) SYSTEM?

- A.** No. A message was posted to the admin message system on March 22, 2002, explaining this. During the duty deferral period an RLF can't be filed because of the entry won't be paid via ACH. However, these steel entries require a Mill certificate and this voids the ability to file RLF because it can not be transmitted electronically.

Q. WHAT IF I ALREADY FILED AN RLF ENTRY AND THE FREIGHT IS NOW RELEASED?

- A.** You will need to immediately cancel your ACH payment, if sent, and amend the 7501 at summary. You will have to pay the duties, taxes and fees owed at summary and notate the 7501 with the additional 201 duties that will be deferred until April 19, if applicable.